

Dear Neighbor:

Many families are struggling to keep their homes. In fact, more than one million foreclosures were reported nationwide in 2006. Michigan has one of the highest foreclosure rates in the country, due in large part to our state's tough economy.

If a job loss, or an unexpected event such as illness or injury, makes it difficult to make the house payment, it's important to take action to help prevent the loss of your home. The information in this report offers a place to start.

The Michigan Senate has taken swift action to pass new mortgage protections. Senate bills now signed into law:

- Help homeowners refinance their home loans at lower interest rates to avoid foreclosure;
- Require loan officers to register with the state, meet education requirements and undergo background checks; and
- Target fraud between unscrupulous lenders and appraisers.

I will continue to work to protect the best interests of homeowners. As always, feel free to contact my office if you have any questions or concerns about state government.

Sincerely,



Bruce Patterson
State Senator
7th District



State Senator
Bruce Patterson
P.O. Box 30036
Lansing, MI 48909-7536

PROTECT YOUR HOME

Fight Foreclosure
Know Your
Mortgage Rights



State Senator
**BRUCE
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7th District

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TIPS

Owning a home is the biggest single investment most people make. Losing that home can be devastating. If you cannot make your mortgage payment, it's important to take action!

- Don't ignore the problem. Waiting can make a difficult situation worse and increase the chance you will lose your home.
- Contact your lender right away to talk about options to help you keep your home. Lenders want to help as foreclosure is also expensive for them. Be honest about your financial situation. Open and respond quickly to all mail from your lender.
- Know your mortgage rights. Read your loan documents so you know what your lender can do if you can't make your payments.
- Be aware of scams and schemes. Homeowners facing foreclosure are often the target of con artists. Don't sign anything you don't understand.
- **Contact a housing counselor to help you understand your options. Call the MSHDA Foreclosure Prevention Hotline toll-free at 866-946-7432.**



RESOURCES

MSHDA Foreclosure Prevention Hotline

866-946-7432

Homeowners' HOPE Hotline

888-995-HOPE

U.S. Department of Housing and Urban Development

Guide to Avoiding Foreclosure

www.hud.gov/foreclosure/index.cfm

Federal Trade Commission

Mortgage Payments Sending you Reeling? Here's What to Do

www.ftc.gov/bcp/edu/pubs/consumer/homes/reao4.shtm

Michigan State Housing Development Authority (MSHDA)

Save the Dream: A Response to Michigan Foreclosures

www.michigan.gov/mshda

Michigan Attorney General Avoid Foreclosure Information *Home Lending and Foreclosure Rescue Scams* Consumer Alert

www.michigan.gov/ag

Mortgage Bankers Association *Foreclosure Prevention Resource Center*

www.homeloanlearningcenter.com

NOTE: Phone numbers and web addresses are subject to change

MORTGAGE RIGHTS

The Mortgage Bankers Association has developed a set of guidelines for the lending process in addition to current law. Some of the provisions in the MBA Borrowers' Bill of Rights include the consumer's right to:

- Clear explanations of the terms and conditions of a loan.
- Timely and truthful disclosure of the rates and costs of the loan.
- Obtain credit counseling before closing on the loan.
- Know their ability to repay the loan has been checked before credit is extended.
- Open and truthful marketing practices.
- Decline credit insurance in connection with the loan.

Remember, don't be afraid to ask questions. It's important to fully understand the documents you sign. For more information, visit www.homeloanlearningcenter.com.



STATE SENATOR

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